

5 NOV 1963

Honorable Clarence Cannon
Chairman
Committee on Appropriations
House of Representatives
Washington 25, D. C.

Dear Mr. Chairman:

From time to time during my tenure of office I have discussed with you the positions of the Director of Central Intelligence and of the senior officials of the Central Intelligence Agency in relation to the position of others in Government carrying comparable responsibilities. This is related to the pay categories established by law.

As I told you, this was of no particular concern to me personally; however, I believe that the obvious inequity which currently exists does have a deleterious effect on the Agency and, if continued, will have an effect on the future Agency personnel, including future Directors and their Deputies.

The bill introduced by Mr. Udall (H. R. 8716) made an effort to correct this situation in a manner satisfactory to the President, the Bureau of the Budget, and to me. This bill placed the Director of Central Intelligence in Level II of the Federal Executive Salary Schedule (parallel to the Deputy Secretary of Defense, the Under Secretary of State, the Director of the Bureau of the Budget, the Administrator of NASA, the Administrator, Agency for International Development, and others). Likewise, the Deputy Director was placed in Level III, and Levels IV, V, and VI were available for other senior officials of the Central Intelligence Agency.

The bill now reported out of Committee (H. R. 8936) has changed this, and the Director of Central Intelligence is placed one grade below the level at which that position was set by the

Udall bill. In other words, the Director of Central Intelligence is in Level III with 41 other positions and a level below the Deputy Secretary of Defense, the Under Secretary of State, and the Administrators of AID and NASA. No specific provision is made in the new bill for the Deputy Director, so he would be in Level IV and other senior officials in Level V and lower.

The explanation given me is that this change was made because of a limitation that no increase in the pay scale could exceed \$10,000 a year. However, the wording of the bill indicated that this is not entirely correct. For instance, the Chairman of the Federal Reserve Board under this restriction would be in Level III; however, he appears in Level II. Also, the Director of the United States Information Agency is placed in Level II, although the above limitation would place him in Level III. This indicates that flexibility had been applied in some instances.

In connection with the role of the Director of Central Intelligence in Government, the President, in his letter to me of January 16, 1962 outlining my duties, made clear that the Director is responsible for the coordination and effective guidance of the total U. S. foreign intelligence effort and that in carrying out his task the President expects the Director to work closely with the heads of all departments and agencies having responsibilities in the foreign intelligence field. It is my opinion that if the bill (H. R. 5986) remains as reported out by the Committee serious damage will result to the intelligence community and to the Central Intelligence Agency. The effectiveness of future Directors and Deputy Directors will be impaired. The damage to the Agency will not be felt immediately but most certainly will be reflected in recruitment failures and a resulting impairment in our ability to secure the services of the most competent people in senior positions in the Agency in the future.

Because of your particular and special interest in the Central Intelligence Agency, I trust that I can count on your advice and assistance in rectifying the inequity as it now appears in H. R. 5986. The enclosed amendments would in effect re-establish the classifications included in the original Udall bill.

Sincerely,

John A. McCone
Director

Orig Draft-DCI

OGC:LRH:jeb

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PROPOSED AMENDMENTS TO H.R. 8986, RELATING TO THE
POSITIONS OF DIRECTOR OF CENTRAL INTELLIGENCE AND
DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE IN THE
FEDERAL EXECUTIVE SALARY SCHEDULE

On page 13, after line 3, add a new subparagraph (10) and
the words Director of Central Intelligence.

On page 13, at line 14, insert after (35) and before Director
the word Deputy.

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